Message Text

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TO USDEL SECRETARY IMMEDIATE

SECRETSTATE 195708 TOSEC 090044

NODIS

CHEROKEE

FOLLOWING REPEAT CAIRO 8195 ACTION SECSTATE 18 AUG

QUOTE

SECRET CAIRO 8195

NODIS/CHEROKEE

FOR THE SECRETARY FROM AMBASSADOR

E.O. 11652: XGDS-3 TAGS: PFOR EG IS US

SUBJECT: STATE OF PLAY IN MIDDLE EAST NEGOTIATIONS

REF: STATE 195234

1. I HAVE JUST RETURNED FROM A LONG MEETING WITH FAHMY
IN ALEXANDRIA. HE IS RECOVERING FROM A BAD CASE OF FLU.
I WENT THROUGH THE POINTS IN THE REFERENCE TELEGRAM WITH
HIM IN GREAT DETAIL, NOTHING WE THINK IT WOULD NOW BE
USEFUL IN PREPARING THE WAY FOR THE UPCOMING SHUTTLE TO DUSCUSS
SOME OF THE CONCEPTS WE HAD EARLIER TALKED ABOUT WITH
GREATER SPECIFICITY IN ORDER TO CONSIDER HOW THEY MIGHT
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BEST BE FORMULATED. FAHMY WAS PREDICTABLY SENSITIVE

ABOUT THESE POLITICAL ISSUES AND NEGATIVE. HE RECALLED THAT THE PRESIDENT AND HE HAD BOTH REPEATEDLY EMPHASIZED THAT EGYPT CAN MAKE NO RPT NO MORE POLITICAL CONCESSIONS AND WONDERED WHAT WAS MEANT BY OUR PHRASE, "CLOSE TO A COMMON FRAMEWORK" (PARA 2 REFTEL). THE MATTER OF DURATION, HE INSISTED, CANNOT RPT CANNOT BE SPECIFIED IN THE AGREEMENT ITSELF. THIS WILL BE HANDLED IN A LETTER FROM PRESIDENT SADAT TO PRESIDENT FORD. UNEF MUST CONTINUE TO BE RENEWED ANNUALLY. AT FIRST, HE ALSO DISCLAIMED ANY AGREEMENT IN PRINCIPLE ON NON-USE OF FORCE, BUT I REMINDED HIM OF OUR LENGTHY PERTINENT DISCUSSION AT ASWAN. HE THEN REMEMBERED AND AGREED THERE HAD BEEN AGREEMENT IN PRINCIPLE.

- 2. ON THE MATTER OF THE BOYCOTT, FAHMY INSISTED THAT THIS, TOO, COULD ONLY BE AN ORAL COMMITMENT TO THE US. HE DISPUTED OUR FORMULATION IN PARA 3A, CLAIMING THAT HE HAD NEVER GONE THAT FAR. HE HAD SAID THAT EGYPT WILL QUIETLY LIFT THE BOYCOTT ON A SELECTIVE BASIS ON A NUMBER OF AMERICAN FIRMS. I REMINDED HIM THAT AT SALZBURG YOU HAD ASKED HIM TO EXTEND THE NUMBER FROM THE THREE HE HAD ORIGINALLY PROPOSED AND THAT HE HAD AGREED TO INCLUDE AMERICAN FIRMS WHO ARE INTERESTED IN DOING BUSINESS IN EGYPT, FAHMY ACKNOWLEDGED THIS WAS SO, BUT STRESSED THAT SUCH FIRMS HAD TO BE IN A POSITION TO DO "REAL, BIG AND SERIOUS" BUSINESS WITH EGYPT. HE AGAIN MENTIONED THE FORD EXAMPLE. HE WAS NOT RPT NOT WILLING AT THIS TIME TO CONSIDER EXTENDING THE PRINCIPLE TO EUROPEAN OR OTHER COUNTRIES AS WELL, GOE MUST BEGIN WITH SELECTIVE AMERICAN FIRMS, HE ARGUED. WHEN THE EGYPTIAN PEOPLE SEE THE BENEFITS DERIVING THEREFROM, THE BOYCOTT CAN PERHAPS THEREAFTER BE LIFTED MORE WIDELY. HAD THE ISRAELIS BEEN MORE RESPONSIBLE, FAHMY IRATELY STATED, THE GOE COULD HAVE GIVEN SOMETHING IN WRITING ON THIS ISSUE OF LIFTING THE BOYCOTT ON SELECTIVE FIRMS, HOWEVER, SINCE ISRAEL HAS REPEATEDLY PROVED THAT IT LEAKS EVERYTHING, GOE CANNOT RPT CANNOT GIVE SOMETHING IN WRITING.
- 3. ON THE MATTER OF REDUCING HOSTILE PROPAGANDA IN GOVERNMENT-OWNED MEDIA, FAHMY AGAIN STATED GOE CAN GIVE NOTHING IN WRITING. HE CONTENDED THAT EGYPT HAS ALREADY DONE SOMETHING. HE NOTED THAT THE PALESTINIANS HAVE ONLY YESTERDAY SECRET

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BITTERLY ATTACKED GOE AND USG ON VOICE OF PALESTINE STATION IN CAIRO. HE HAD TOLD THE PRESIDENT THAT MININFO ABD AL-MAGD SHOULD WARN THE PALESTINIANS TO STOP. IF THEY FAIL TO DO SO, THE PRESIDENT SHOULD AUTHORIZE THE VOICE OF PALESTINE STATION TO BE CLOSED. FAHMY CLAIMED THE PRESIDENT HAS APPROVED SUCH CLOSURE IF NEEDED. FAHMY ALSO ALLUDED TO SADAT'S STATEMENT IN KHARTOUM ABOUT NON-EXPULSION OF ISRAEL FROM UNGA. HE CALLED THIS A "CRAZY" ACT ON THE PART OF THE PRESIDENT, WHICH HAS INCURRED FOR

SADAT STRONG CRITICISM. WHAT MORE CAN THE ISRAELIS ASK FOR THAN WHAT SADAT HAS ALREADY DONE, HE WANTED TO KNOW? WE AND THE ISRAELIS SHOULD LEAVE THE MATTER OF REDUCING HOSTILE PROPAGAND TO HIS DISCRETION.

4. ON THE POLITICAL WARFARE POINT, FAHMY STATED THIS IS "OUT OF THE QUESTION." HERE AGAIN HE WILL GIVE NOTHING IN WRITING BECAUSE THE ISRAELIS WILL LEAK IT. "WHAT IS THIS DISENGAGEMENT AGREEMENT." HE ASKED RHETORICALLY. "FROM WHAT THE ISRAELIS HAVE ALREADY LEAKED ABOUT IT, EVERYBODY IS ATTACKING IT." GOE WILL HAVE A MAJOR PROBLEM SELLING IT TO THE ARAB WORLD. TWO ASPECTS IN PARTICULAR WILL BE POLITICALL EMBARRASSING: THE JOINTLY USED STRETCHES OF ROAD AND THE AMERICAN POSTS. FAHMY ARGUED THAT IF THE ISRAELIS ACT HONORABLY, THIS WILL ITSELF GIVE OTHER GOVERNMENTS FREEDOM TO ACT. ISRAEL CAN AGAIN OBTAIN RECOGNITION THROUGH ITS OWN GOOD BEHAVIOR. BUT THUS FAR HE HAS SEEN LITTLE OF IT. IF THE ISRAELIS VALUE EGYPTIAN PRESTIGE THAT MUCH, WHY DO THEY NOT RPT NOT OFFER A BETTER AGREEMENT. "THEY BEHAVE LIKE CHILDREN." THE MOST THAT HE WOULD DO WAS NOT RPT NOT TO TAKE ANY GEYPTIAN INITIATIVE TO PREVENT ANY STATE FROM RESUMING RELATIONS WITH ISRAEL. ON BARRING ISRAEL FROM UN OR OTHER INTERNATIONAL FORUMS. HE AGAIN SPOKE OF SADAT'S KHARTOUM STATEMENT. BUT TO PUT SOMETHING IN WRITING ON THIS MATTER, HE INSISTED, WOULD BE POLITICAL SUICIDE.

5. ON THE MATTER OF SENDING A THIRD PARTY FLAGSHIP
CARRYING CARGO TO OR FROM ISRAEL TO TRANSIT THE CANAL
AT SOME POINT DURING THE FORTHCOMING SHUTTLE, FAHMY WAS
ADAMANTLY OPPOSED. GOE, HE EMPHASIZED, WILL HONOR ITS
FIRST DISENGAGEMENT COMMITMENTS. IT WAS PREPARED TO
ALLOW SUCH CARGO TO GO THROUGH HAD IT BEEN DONE TWO
OR THREE MONTHS AGO. HE RECALLED A "SUGAR SHIP" WAS REPORTED TO
BE PREPARING TO TRANSIT SOME MONTHS AGO AND CLAIMED GOE
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WAS PREPARED TO LET IT PASS. NOW, HOWEVER, THE MATTER
IS ONE OF TIMING. IF THE ISRAELIS TRY TO SEND THE
SHIP THROUGH NOW, WHEN ALL OF SADAT'S CRITICS ARE BITTERLY
ATTACKING HIM BECAUSE OF THE UPCOMING DISENGAGEMENT AGREEMENT,
IT WILL CAUSE "COMPLICATIONS". IT WILL DO HARM NOT RPT NOT ONLY
TO EGYPT, BUT TO USG AS WELL. USG WILL AGAIN GAIN, AS HE PUT IT,
THE REPUTATION OF BEING "THE UGLY AMERICAN." FAHMY CONTENDED
THAT SUCH CARGO SHIP SHOULD GO THROUGH AFTER THE NEW DISENGAGEMENT
AGREEMENT IS SIGNED AND AFTER THE ISRAELIS ARE OUT OF THE OILFIELDS. THE PEOPLE COULD THEN SEE HOW EGYPT HAS BENEFITED AND
WILL IN SUCH CIRCUMSTANCES NOT RPT NOT REACT. SPEAKING AS
A FRIEND, FAHMY PLEADED THAT SUCH A TRANSIT DURING THE SHUTTLE
WILL COMPLICATE MATTERS FOR YOU AND SADAT, BUT INSISTED THE
COMMITMENT WILL BE HONORED. IT IS MERELY A MATTER OF TIMING.

6. FAHMY THEN CHANGED THE SUBJECT TO THE MASSIVE US AID FOR ISRAEL THAT IS BEING DISCUSSED. HE RECOGNIZED THIS TO BE THE PRICE OF THE AGREEMENT. HE ARGUED, HOWEVER, THAT USG SHOULD TREAT EGYPT EQUALLY GENEROUSLY. I POINTD OUT THAT WE ARE ALREADY ASKING ABOUT DOLS 500 MILLION, PLUS PL 480. HE CALLED THIS PALTRY, COMPARED

TO WHAT WE ARE GIVING TO ISRAEL AND COMPARED TO EGYPT'S NEEDS.

7. I BROUGHT THE SUBJECT BACK SEVERAL TIMES TO THE POINTS AT ISSUE, BUT FAHMY WAS ADAMANT. WHEN I SAID YOU WERE CERTAIN TO BE DISAPPOINTED. HE ASKED THAT I NOT RPT NOT REPORT HIS VIEWS. I TOLD HIM YOU HAD SPECIFICALLY RAISED THESE POINTS AND NEED AN ANSWER, BUT HE INSISTED NO RPT NO ANSWERS SHOULD BE SENT. INSTEAD, HE THOUGHT IT BEST THAT SADAT HIMSELF TELL YOU HIS VIEWS ON THESE POLITICAL ASPECTS. HE RECALLED THAT DURING MY LAST MEETING WITH SADAT, THE PRESIDENT HAD SPECIFICALLY STATED THAT HE IS NOT RPT NOT PREPARED TO MAKE ANY POLITICAL CONCESSIONS BEYOND THOSE ALREADY AGREED UPON AT ASWAN AND SALZBURG. FAHMY ADDED THAT HE, AS FONMIN, COULD NOT RPT NOT ADVISE HIM TO DO ANY MORE. HE ASKED THAT I LIMIT MY REPORT OF HIS COMMENTS TO TWO POINTS: A) YOU SHOULD KNOW THAT THE GOE WILL HONOR EVERYTHING IT HAS AGREED UPON, AND B) IT IS IN USG AS WELL AS ISRAELI INTERESTS NOT RPT NOT TO EMBARRASS SADAT BY MAKING DEMANDS WHICH HE CANNOT MEET WITHOUT RISKING POLITICAL SUICIDE.

8. COMMENT: ALTHOUGH FAHMY'S REACTION WAS PREDICTABLY NEGATIVE, SECRET

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I THINK IT WAS A USEFUL EXERCISE TO DISCUSS THESE MATTERS WITH HIM. I DOUBT THAT HE IS PREPARED TO THINK OF ANY FORMULATIONS TO BE PUT IN WRITING. BASED ON PAST EXPRIENCE, HE IS DEADLY AFRAID THAT THE ISRAELIS WILL LEAK THEM, AS THEY DOUBTLESS WILL. THUS, HE CONTENDED, THE KIND OF CONCESSIONS DISCUSSED IN REFTEL MUST ALL BE ORAL COMMITMENTS. I DOUBT THAT HE WILL BUDGE, ALTHOUGH I GET THE IMPRESSION HE DOES NOT RPT NOT EXCLUDE THE POSSIBILITY THAT THE PRESIDENT--DESPITE LATTER'S STRONG TALK--MAY CAVE IN ON ONE OR MORE OF THE ITEMS IN THE COURSE OF YOUR SHUTTLE TALKS WITH HIM. WHILE FAHMY HAS GENERALLY BEEN HELPFUL, I THINK WE MUST EXPECT HIM TO MAKE A STRONG EFFORT TO URGE THE PRESIDENT NOT RPT NOT TO DO SO BY POINTING OUT THE POLITICAL RISKS SADAT INCURS IN GOING BEYOND WHAT HE HAS ALREADY AGREED UPON.

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